

MANUFACTURING EXTENSION PARTNERSHIP

Success Stories from the Field

Neon Electric Corp (NEC)-Architectural Metal Products

Texas Manufacturing Assistance Center

Steady Change At Neon Electric Corp. Leads To New Growth Opportunities

Client Profile:

Neon Electric Corporation, established in 1946, is a family owned and operated company that manufactures and services signs. Over time, the company has expanded to three divisions: Lighting Services, the service and maintenance division; Graphic Fabricators, the graphics division; and Architectural Metal Products, which specializes in shelters, benches, and kiosks.

The Graphics division recently spun off to form a separate entity, although the two companies often work together on jobs. Graphic Fabricators, Inc., the new company, manufactures and installs interior graphics and signage.

Situation:

Neon Electric responded to recent market demand in several areas with substantial growth, but keeping up with growth resulted in excess overtime work and order completion delays. The company's chairman and CEO, anxious to address these issues, consulted the Texas Manufacturing Assistance Center (TMAC), a NIST MEP network affiliate.

Solution:

TMAC toured the Neon Electric plant to understand its production processes in more detail. Following this visit, TMAC proposed a lean strategy to eliminate non-value-added activity and waste. First, TMAC taught employees lean concepts and trained them to identify typical instances of non-value-added waste. With TMAC's guidance, Neon employees scoured the entire facility, identifying scrap and recyclable items, marking items for disposal with a big red "X." Instantly, the plant gained a substantial amount of much-needed floor space. The next process TMAC identified for change involved the company's large crane trucks, typically stored inside the facility. All of Neon Electric's in-process work needed to be moved to accommodate the trucks every evening and returned to the production floor in the morning. On TMAC's recommendation, Neon Electric is building a garage to house these vehicles, thereby saving approximately \$25,000 in costs related to moving in-process products.

Results:

Eliminated clutter on shop floor and throughout the facility.
Created a safer, more organized work environment.
Saved \$25,000 in annual losses associated with inefficient storage.

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Reclaimed plant floor-space.
Building a garage to accommodate vehicles.

Testimonial:

"The Texas Manufacturing Assistance Center provided us with many recommendations on what we could do to further reduce costs and increase productivity."

Alexis Hink McCarty, President